

TAXES: TAX WITHHOLDING FOR STATES
OUTSIDE OF CALIFORNIA

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TAXES: TAX WITHHOLDING FOR STATES
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I. INTRODUCTION

The University occasionally employs individuals who work in another state and who either reside in that state or are California residents on short-term assignment outside of California. University employees working out-of-state are subject to state income taxes for the state in which they work, and the University is responsible for applicable withholding laws and for remitting the tax withheld. The University also maintains Workers' Compensation and Unemployment Insurance Coverage for employees working out-of-state.

II. PROCEDURES

A. State Income Tax Withholding

Payroll Coordination and Tax Services in the Office of the President registers with the appropriate taxing authorities all University locations with employees who may be subject to withholding from another state (Appendix A). When a campus or Laboratory assigns an employee to work in a state with which the campus or Laboratory is not registered, Payroll Coordination should be informed so that the appropriate registration arrangements may be completed. Such information should be directed by mail or telephone to:

Payroll Coordination and Tax Services
1111 Franklin Street, 10th Floor
Oakland, California 94607-5200
(510) 987-0943

Employees on temporary, short-term assignments of more than two weeks are subject to the out-of-state withholding requirements. However, employees receiving compensation pursuant to a sabbatical leave

who are located in another state are not subject to withholding for the other state. Employees on sabbatical leave are not performing services for the University, but are receiving pay for services previously rendered or to be rendered in the future.

** Employees who are subject to state income tax withholding for a state other than California must complete a UPAY 830, Out-of-State Income Tax Withholding Form (Appendix B)¹. The completed form should be sent to the Payroll Manager of the campus or Laboratory. The Manager is responsible for calculating the deduction amount and for remitting the tax withheld to the appropriate state agency. If the state requires the posting of a bond, the cost of the bond is recharged to the location.

B. Workers' Compensation Coverage

The Office of the President, Office of Risk Management maintains an Out-of-State Workers' Compensation policy for employees who work in any state except Alaska, Maine, Nevada, North Dakota, Ohio, Washington, West Virginia, and Wyoming. For the states listed above, separate coverage must be obtained. Coverage for a specific employee will not apply without prior notice of activities based outside of California and a premium payment for the coverage made. The cost of the out-of-state coverage is recharged to the employee's department.

¹ The UPAY 830, Out-of-State Income Tax Withholding Form, is available on the Payroll Coordination and Tax Services web site. The web site is located at <http://www.ucop.edu/ucophome/cao/paycoord/>

II. PROCEDURES

B. Workers' Compensation Coverage (Cont.)

the out-of-state coverage is recharged to the employee's department.

C. Unemployment Insurance Coverage

Employees working out-of-state continue to be covered for unemployment insurance with the state of California, and any claims for unemployment benefits should be processed as interstate claims and referred back to California. In the few states, such as Alaska, that impose an unemployment insurance tax directly on the employee, the University will be required to withhold this tax from the employee's wages and to remit the tax as required.

III. REFERENCES

University Counsel Romulus B. Portwood, memo to Director Donald L. Alter on Withholding State Income Taxes from Wages of University Employees Residing and Performing Services in States Other than California, March 9, 1993.

Accounting Manual Chapters:

D-371-77 Disbursements: State Tax Withholding From Nonwage Payments to Nonresidents of California.

P-196-77 Payroll: State Tax Withholding From Employees.

P-196-77.5 Payroll: Unemployment Insurance.

P-196-86 Payroll: Workers' Compensation Insurance.

Historical note: Original Accounting Manual chapter published 12/30/00. Revised: 6/30/01, 12/30/01, 6/30/02, 3/31/03, 6/30/03, 12/31/03, 6/30/04, 6/30/05, 6/30/06, 3/31/07, 9/30/07, 3/31/08, 2/29/09; and 9/30/09; analyst--John Barrett.

Appendix A: Registered Out-of-State Taxing Authorities

Campus/Lab

****Berkeley:** Arizona; Colorado; Connecticut; District of Columbia; Georgia; Hawaii; Idaho; Illinois; Iowa; Kentucky; Maine; Maryland; Massachusetts; Missouri; Montana; Nebraska; New Jersey; New Mexico; New York; North Carolina; Ohio; Oklahoma; Oregon; Pennsylvania; Vermont; Virginia; Wisconsin

Davis: Colorado; District of Columbia; Hawaii; Idaho; Illinois; Iowa; Maryland; New Jersey; New York; Oregon; Utah; Virginia; Wisconsin

****Irvine:** Alabama; Arizona; Arkansas; Colorado; Delaware; District of Columbia; Georgia; Hawaii; Illinois; Iowa; Kansas; Kentucky; Maine; Maryland; Massachusetts; Michigan; Minnesota; New Jersey; New Mexico; New York; North Carolina; Ohio; Oregon; Pennsylvania; Rhode Island; South Carolina; Utah; Virginia; Wisconsin

****Los Angeles:** Alabama; Arizona; Arkansas; Colorado; Connecticut; District of Columbia; Georgia; Hawaii; Idaho; Illinois; Indiana; Iowa; Kansas; Kentucky; Louisiana; Maine; Maryland; Massachusetts; Michigan; Minnesota; Mississippi; Missouri; Montana; New Jersey; New Mexico; New York; North Carolina; North Dakota; Ohio; Oklahoma; Oregon; Pennsylvania; Rhode Island; South Carolina; Utah; Vermont; Virginia; West Virginia; Wisconsin

Riverside: Alabama; New Mexico; New York; Virginia

Appendix A: (Cont.)

****San Diego:** Colorado; Connecticut; District of Columbia; Hawaii; Idaho; Illinois; Iowa; Kentucky; Maryland; Massachusetts; Michigan; Montana; New Mexico; New York; North Carolina; Ohio; Oklahoma; Oregon; Utah; Virginia; West Virginia

San Francisco: Alabama; Colorado; Connecticut; District of Columbia; Georgia; Hawaii; Illinois; Indiana; Kentucky; Louisiana; Maryland; Massachusetts; Michigan; Minnesota; New Mexico; New York; North Carolina; Ohio; Oregon; Pennsylvania; South Carolina; Virginia; West Virginia; Wisconsin

(cities) Cincinnati; Cleveland; Detroit; Philadelphia

Santa Barbara: Arizona; Colorado; Connecticut; District of Columbia; Georgia; Hawaii; Idaho; Illinois; Maine; Maryland; Massachusetts; Michigan; Mississippi; Missouri; Montana; New Jersey; New Mexico; New York; North Carolina; Oregon; Pennsylvania; Utah; Virginia; Wisconsin

Santa Cruz: Arizona; Colorado; District of Columbia; Georgia; Illinois; Indiana; Maryland; Massachusetts; Michigan; Minnesota; Montana; New Jersey; New Mexico; New York; North Carolina; Oregon; Virginia; Washington, D.C.; Wisconsin

Appendix A: (Cont.)

**Lawrence Berkeley Laboratory:	Colorado; District of Columbia; Connecticut; Hawaii; Georgia; Illinois; Indiana; Iowa; Maine; Maryland; Massachusetts; Minnesota; New Jersey; New York; North Carolina; Ohio; Oklahoma; Oregon; Pennsylvania; Utah; Virginia, Wisconsin
Hastings College of the Law:	Alaska; District of Columbia; Hawaii; Illinois; Iowa; Massachusetts; Mississippi; New Mexico; New York; Pennsylvania; Virginia

Appendix B: Form UPAY830: Out-of-State Income Tax Withholding



PAYROLL/PERSONNEL
 OUT-OF-STATE INCOME TAX
 WITHHOLDING
 UPAY 830 (R12/03)

Complete this form only if you are subject to state income tax withholding for a state other than California, or wish to cancel state income tax withholding deductions for a state other than California. (Refer to the income tax withholding regulations of the state in which you are earning compensation.)

PERSONAL INFORMATION

Name (Last, First, Middle)	Campus	Employee ID Number
Home Address (Number, Street)	Campus Department	Social Security Number
(City, State, Zip)	Work Phone (with Area Code)	
	Email Address	

IF YOU ARE A NONRESIDENT OF CALIFORNIA, COMPLETE THIS SECTION

I am a nonresident of the State of California, have claimed exemption from California income tax withholding on my UC W-4/DE 4 form and am earning compensation while working in the city, county, and state listed below:

City	County	State
------	--------	-------

I began earning compensation in the state listed above on _____ and expect to continue to earn compensation in this state until approximately _____. I understand that I must submit a new Out-of-State Income Tax Withholding UPAY 830 Form when my assignment in the state listed above ends.

IF YOU ARE A RESIDENT OF CALIFORNIA, COMPLETE THIS SECTION

I am a resident of the State of California but am temporarily working in the city, county, and state listed below:

City	County	State
------	--------	-------

I began earning compensation in the state listed above on _____ and expect to continue to earn compensation in this state until approximately _____. I understand that I may be subject to income tax withholding for both this state and the State of California. I further understand that I must submit a new Out-of-State Income Tax Withholding UPAY 830 Form when my assignment in the state listed above ends.

TO CANCEL OUT-OF-STATE WITHHOLDING, COMPLETE THIS SECTION

Please cancel state income tax withholding deductions for the State of _____.
 Effective _____ I am earning compensation while working in _____.

EMPLOYEE'S CERTIFICATION	I certify, to the best of my knowledge, that the above information is true, correct, and complete.	
	Employee's Signature	Date

PRIVACY NOTIFICATIONS
 STATE

RETN: 3 YEARS AFTER EMPLOYEE TERMINATES

The State of California Information Practices Act of 1977 (effective July 1, 1978) requires the University to provide the following information to individuals who are asked to supply information:

The principal purpose for requesting the information on this form is for payment of earnings, and for miscellaneous payroll and personnel matters such as, but not limited to, withholding of taxes, benefits administration, and changes in title and pay status. University policy and State and Federal statutes authorize the maintenance of this information.

Furnishing all information requested on this form is mandatory -- failure to provide such information will delay or may even prevent completion of the action for which the form is being filled out. Information furnished on this form may be used by various University departments for payroll and personnel administration, and will be transmitted to the State and Federal governments as required by law.

Individuals have the right to review their own records in accordance with University personnel policy and collective bargaining agreements. Information on these policies can be obtained from campus or Office of the President Staff and Academic Personnel Offices.

The officials responsible for maintaining the information contained on this form are campus and Office of the President Staff and Academic Personnel Managers or campus Controllers.

FEDERAL

Pursuant to the Federal Privacy Act of 1974, you are hereby notified that disclosure of your social security number is mandatory. Disclosure of the social security number is required pursuant to Sections 6011 and 6051 of Subtitle F of the Internal Revenue Code and pursuant to Regulation 4, Section 404.1256, Code of Federal Regulations, under Section 218, Title II of the Social Security Act, as amended. The social security number is used to verify your identity. The principal uses of the number shall be to report (1) Federal and State income taxes withheld, (2) social security contributions, (3) State unemployment and workers' compensation earnings, and (4) earnings and contributions to participating retirement systems.

FOR ACCOUNTING USE ONLY

Other State Tax CA Residency: _____ (N,R)	Current Other State Gross Name: _____
Other State Gross Name 1: _____	Other State Ded 1: 6 _____ G \$ _____
Other State Gross Name 2: _____	Other State Ded 2: 6 _____ G \$ _____
Other State Gross Name 3: _____	Other State Ded 3: 6 _____ G \$ _____
	Other Local Ded A: 6 _____ G \$ _____
	Other Local Ded B: 6 _____ G \$ _____
	Other Local Ded C: 6 _____ G \$ _____
Prepared By _____	Date _____
Authorized By _____	Date _____